



General Assembly

January Session, 2003

Amendment

LCO No. 6596

SB0073306596HD0

Offered by:

REP. MEGNA, 97th Dist.

To: Subst. Senate Bill No. 733

File No. 428

Cal. No. 529

(As Amended)

***"AN ACT CONCERNING REVISIONS TO THE ELECTRIC
RESTRUCTURING LEGISLATION."***

1 Strike subdivision (4) of subsection (b) of section 4 and insert the
2 following in lieu thereof:

3 "~~(4)~~ (A) In addition to its costs received pursuant to subsection (h) of
4 this section, as compensation for providing transitional standard offer
5 service, each electric distribution company shall receive an amount
6 equal to five-tenths of one mill per kilowatt hour. Revenues from such
7 compensation shall not be included in calculating the electric
8 distribution company's earnings for purposes of, or in determining
9 whether its rates are just and reasonable under, sections 16-19, 16-19a
10 and 16-19e, including an earnings sharing mechanism. In addition,
11 each electric distribution company may earn compensation for
12 mitigating the prices of the contracts for the provision of electric
13 generation services, as provided in subdivision (2) of this subsection.

14 (B) The department shall conduct a contested case proceeding
15 pursuant to the provisions of chapter 54 to establish an incentive plan
16 for the procurement of long-term contracts for transitional standard
17 offer service by an electric distribution company. The incentive plan
18 shall be based upon a comparison of the actual average firm full
19 requirements service contract price for electricity obtained by the
20 electric distribution company compared to the regional average firm
21 full requirements service contract price for electricity, adjusted for such
22 variables as the department deems appropriate, including, but not
23 limited to, differences in locational marginal pricing. If the actual
24 average firm full requirements service contract price obtained by the
25 electric distribution company is less than the actual regional average
26 firm full requirements service contract price for the previous year, the
27 department shall split five-tenths of one mill per kilowatt hour equally
28 between ratepayers and the company. Revenues from such incentive
29 plan shall not be included in calculating the electric distribution
30 company's earnings for purposes of, or in determining whether its
31 rates are just and reasonable under sections 16-19, 16-19a and 16-19e.
32 The department may, as it deems necessary, retain a third party entity
33 with expertise in energy procurement to assist with the development
34 of such incentive plan.

35 (C) Compensation pursuant to this subdivision shall be included in
36 the generation service charge component of the standard offer."

37 Strike subsection (h) of section 4 and insert the following in lieu
38 thereof:

39 "~~[(e)]~~ (h) The electric distribution company shall be entitled to
40 recover reasonable costs incurred as a result of providing standard
41 offer electric generation services pursuant to the provisions of
42 subsection (a) of this section, [the default service pursuant to
43 subsection (b) of this section or the back-up electric generation services
44 pursuant to subsection (c) of this section] transitional standard offer
45 service pursuant to subsection (b) of this section, standard service
46 pursuant to subsection (c) of this section or back-up electric generation

47 service pursuant to subsection (f) of this section and a reasonable rate
48 of return for the provision of such services, which costs shall be
49 included in the generation service charge component of the standard
50 offer. The provisions of this section and section 16-244a shall satisfy the
51 requirements of section 16-19a until January 1, [2004] 2007."